


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
HEALTH BENEFITS COMMITTEE
MEETING MINUTES**

December 16, 2008



The Health Benefits Committee met on Tuesday, December 16, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:40 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Ruth Holton-Hodson representing John Chiang
Rob Feckner
Greg Beatty representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliveira
Anne Sheehan

Other Board members present:
Kurato Shimada

AGENDA ITEM 2 – APPROVAL OF NOVEMBER 19, 2008, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The November 19, 2008, Health Benefits Committee meeting minutes were approved as presented.

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, introduced Dr. Jeffrey Moy. Dr. Moy will be assisting the Health Program in the area of health and disease management and wellness initiatives.

AGENDA ITEM 3A – UPDATE ON PARTNERSHIP FOR CHANGE

As an information item, Loren Suter, Senior Strategic Advisor, provided an update on the two components of Partnership for Change: the California Hospital Assessment and Reporting Taskforce and the Hospital Value Initiative. The CalPERS Board of Administration approved the Partnership for Change Initiative in 2005 to promote value in hospital care and help moderate costs.

AGENDA ITEM 4A – STRATEGIC HEALTH COMMUNICATIONS – QUARTERLY UPDATE

As an information item, Brad Pacheco, Office of Public Affairs, updated the Committee on the recent activities, proposed activities, and additional communication initiatives undertaken during the “post-decision/Open Enrollment” phase of the Health Benefits communication program. The planning framework for this program involved communicating information in a phased approach to our various constituent groups (including members, employers, and labor organizations) about strategic goals for the Health Program.

AGENDA ITEM 5A – HEALTH CARE DECISION SUPPORT REPORTING PROGRAM: CALPERS ENROLLMENT HIGHLIGHTS

As an information item, Kathy Donneson, Assistant Division Chief, Office of Health Policy and Program Support, presented the first of a series of reports that will provide health care information from the Health Care Decision Support System to the Health Benefits Committee. The Health Care Decision Support System is a key tool for negotiating health premium rates, monitoring health care cost and utilization, and measuring health and wellness outcomes.

The Chair deferred agenda items 5b – California Health Care Coalition: Pay for Quality Improvement Hospital Program; and, 6c – Approval to Release Health Maintenance Organization Request for Proposal until after agenda item 8a – Public Agency Recruitment and Retention.

AGENDA ITEM 6A – KAISER PERMANENTE’S 2010 PROPOSED INITIATIVES: STAFF’S ANALYSIS

As an information item, Ellen Badley, Division Chief, Office of Health Plan Administration, provided the Committee with staff’s analysis of Kaiser’s proposed initiatives for: a Wellness Pilot; a Senior Advantage Part B Only Plan; and, Partnership on Legislation.

AGENDA ITEM 6B – BLUE SHIELD OF CALIFORNIA’S PROPOSED 2010 INITIATIVES: STAFF’S ANALYSIS

As an information item, Ellen Badley, Division Chief, Office of Health Plan Administration, provided the Committee with staff’s analysis of Blue Shield of California’s proposed initiatives for: a Wellness Initiative; a Medicare Advantage Part D Product; and, a Pharmacy Mail Order Service Incentive Program.

AGENDA ITEM 7A – 2008 SECOND QUARTER SELF-FUNDED HEALTH PLANS FINANCIAL REPORT

As an information item, Gary McCollum, Actuarial and Employer Services Branch, presented the 2008 Second Quarter Self-Funded Health Plans Financial Report. The

overall financial position of the self-funded health plans remains stable. The ongoing positive financial results for the program assets provide assurance that the rates approved by the Board for the 2008 plan year were sufficient to fund benefits and to maintain adequate reserves.

AGENDA ITEM 8A – PUBLIC AGENCY RECRUITMENT AND RETENTION

As an information item, Rueben Jimenez, Assistant Division Chief, Office of Employer and Member Health Services, provided the status of recruitment and retention efforts of public agencies and schools in the Public Employees Medical and Hospital Care Act (PEMHCA) program. Public agencies and schools make up approximately 40 percent of the 1.3 million lived covered under the PEMHCA program. Their participation in our program is fundamental to the size of our risk pool, and the size of our program helps influence premium negotiation strategy.

AGENDA ITEM 5B – CALIFORNIA HEALTH CARE COALITION: PAY FOR QUALITY IMPROVEMENT HOSPITAL PROGRAM

As an information item, Tom Moore and Sally Covington, California Health Care Coalition (CHCC), provided an update on the CHCC's Pay for Quality Improvement (PQI) Hospital Program. The CHCC's PQI program works with hospitals to improve quality, lower overall costs and bring additional resources to PQI hospitals that meet jointly set improvement goals.

AGENDA ITEM 9 – ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, updated the Committee on meetings that have occurred as a result of the November 19, 2008 Avivia presentation regarding population health management opportunity analysis.

AGENDA ITEM 10 – PROPOSED AGENDA FOR FEBRUARY 18, 2009, HEALTH BENEFITS COMMITTEE MEETING

The proposed February 18, 2009, Health Benefits Committee agenda was accepted with the addition of an item regarding the Health and Disease Management Initiative.

AGENDA ITEM 11 – PUBLIC COMMENT

There was no public comment.

At this time, the Health Benefits Committee recessed to Closed Session and reconvened Open Session at 5:00 p.m.

**AGENDA ITEM 6C – APPROVAL TO RELEASE HEALTH MAINTENANCE
ORGANIZATION REQUEST FOR PROPOSAL**

This item was deferred.

The meeting was adjourned at 5:02 p.m.

The next meeting of the Committee is scheduled for February 19, 2009, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

ANNE STAUSBOLL
Chief Executive Officer